

STATE OF SOUTH CAROLINA

South Carolina Electric & Gas Company – Annual
Review of the Purchased Gas Adjustments and Gas
Purchasing Policies

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2006 - 5 - G

(Please type or print)

Submitted by: K. Chad BurgessSC Bar Number: 69456

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input checked="" type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



February 19, 2009

VIA ELECTRONIC FILING

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company - Annual Review of the Purchased Gas
Adjustments and Gas Purchasing Policies; Docket No. 2006-5-G
Notification that cost of gas factors will not be adjusted for the March 2009
billing cycles

Dear Mr. Terreni:

By Order No. 2006-679 ("Order"), dated November 13, 2006, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") authorized South Carolina Electric & Gas Company ("SCE&G" or the "Company") to adjust its cost of gas factors monthly pursuant to Paragraph 4 of the Settlement Agreement adopted and approved by the Commission. Pursuant to the approved procedure and before the first billing cycle of each month, SCE&G recalculates its forecast total cost of gas factors to determine whether an adjustment should be made to the current cost of gas factors. If there is no Material Difference (this term is defined in Order Exhibit No. 1) between the newly recalculated gas cost factors and the gas cost factors currently in effect, then SCE&G is to notify the Commission, the South Carolina Office of Regulatory Staff ("ORS"), and the South Carolina Energy Users Committee ("SCEUC") that the existing cost of gas factors will remain in effect for the next billing cycle. If, however, a Material Difference exists, then SCE&G is to notify the Commission, ORS, and the SCEUC of the Company's intent to adjust its gas cost factors beginning with the first billing cycle in the next succeeding month.

In accordance with the approved procedure, the Company has recalculated its forecast total cost of gas factors to be effective with the Company's first billing cycle in March 2009. Based upon the Company's updated calculations, no Material Difference exists between the newly recalculated gas cost factors and the gas cost factors currently in effect. Therefore, for the March 2009 billing cycles, this letter serves as notification to the Commission that no adjustment will be made to the total cost of gas factors currently in effect.

(Continued . . .)

The Honorable Charles Terreni

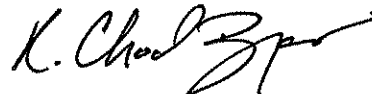
February 19, 2009

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By copy of this letter and in compliance with the Order, we are also notifying ORS and the SCEUC that the current total cost of gas factors will remain in effect for March 2009. In addition, we are providing them with copies of updated versions of Exhibits A and B evidencing that no Material Difference exists between the newly recalculated cost of gas factors and the factors currently in effect.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "K. Chad Burgess", with a stylized flourish at the end.

K. Chad Burgess

KCB/kms

Enclosures

cc: Shannon Bowyer Hudson, Esquire

Jeffrey M. Nelson, Esquire

Scott Elliott, Esquire

(All via First Class U.S. mail and electronic mail w/enclosures)

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
PROJECTED COMMODITY AND DEMAND COSTS
(OVER)/UNDER COLLECTION**

COMM COST PER THERM (COL. 1)	BILLING COMM COST PER THERM (COL. 2)	DIFFERENCE (COL. 3)	FIRM SALES THERMS (COL. 4)	COMMODITY (OVER)UNDER COLLECTION (COL. 5)	CUMULATIVE COMMODITY (OVER)UNDER COLLECTION (COL. 6)	DEMAND (OVER)UNDER COLLECTION (COL. 7)	CUMULATIVE DEMAND (OVER)UNDER COLLECTION (COL. 8)	TOTAL (OVER)UNDER COLLECTION (COL. 9)	CUMULATIVE TOTAL (OVER)UNDER COLLECTION (COL. 10)
BEGINNING BAL. @ Feb 09									
Mar-09	\$0.39081	\$0.59376	28,490,000	(\$5,782,101)	(\$6,295,644)	(\$712,389)	(\$6,277,829)	(\$6,494,490)	(\$12,573,472)
Apr-09	\$0.38725	\$0.59376	15,993,000	(\$3,302,797)	(\$12,077,745)	\$1,230,851	(\$6,990,218)	(\$2,071,946)	(\$19,067,962)
May-09	\$0.43542	\$0.59376	9,997,000	(\$1,582,981)	(\$16,963,522)	\$1,730,851	(\$5,759,367)	\$147,700	(\$21,139,908)
Jun-09	\$0.46185	\$0.59376	7,757,000	(\$1,023,260)	(\$17,986,782)	\$1,758,241	(\$4,028,686)	\$1,477,000	(\$20,992,208)
Jul-09	\$0.55062	\$0.59376	7,119,000	(\$307,161)	(\$18,293,943)	\$1,477,357	(\$2,270,445)	\$734,982	(\$20,257,227)
Aug-09	\$0.98539	\$0.59376	7,103,000	\$2,781,741	(\$15,512,202)	\$1,316,266	(\$793,087)	\$1,170,196	(\$19,087,030)
Sep-09	\$0.17755	\$0.59376	7,122,000	\$1,593,781	(\$13,918,422)	\$1,678,317	\$823,179	\$4,098,006	(\$14,969,024)
Oct-09	\$0.61693	\$0.59376	8,109,000	\$3,431,464	(\$10,486,958)	\$1,585,821	\$2,201,496	\$3,272,098	(\$11,716,326)
Nov-09	\$0.93203	\$0.59376	14,071,000	\$4,759,798	(\$5,727,160)	\$622,532	\$3,787,317	\$5,017,285	(\$6,639,641)
Dec-09	\$0.84335	\$0.59376	27,734,000	\$6,921,998	(\$1,984,738)	(\$432,609)	\$4,409,849	\$5,382,330	(\$1,317,311)
Jan-10	\$0.64722	\$0.59376	40,479,000	\$2,163,618	\$3,358,356	(\$1,822,146)	\$3,977,240	\$6,489,299	\$5,171,979
Feb-10	\$0.50555	\$0.59376	38,072,000	(\$3,358,356)	(\$0)	(\$1,822,146)	\$1,922,146	\$8,524	\$5,180,502
							\$0	(\$5,180,502)	\$0
Total			212,046,000	\$6,295,644		\$6,277,830		\$12,573,472	

Exhibit B

**South Carolina Electric and Gas Company
Development of DCOG, CCOG and Total Cost of Gas Factor**

Mar 09	Residential	SGS / MGS	LGS
DCOG Factor	\$0.11727	\$0.07813	\$0.13782
CCOG Factor	\$0.59827	\$0.59827	\$0.59827
Total Cost of Gas Factor	\$0.71554	\$0.67640	\$0.73609